



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 6, 2003

H.R. 3077 **International Studies in Higher Education Act of 2003**

*As ordered reported by the House Committee on Education and the Workforce
on September 25, 2003*

SUMMARY

H.R. 3077 would reauthorize programs under title VI of the Higher Education Act through 2009. These programs expired at the end of fiscal year 2003 but were extended automatically for 2004 by the General Education Provisions Act (GEPA).

CBO estimates that authorizations under the bill would total \$108 million in 2004 and \$683 million over the 2004-2009 period, assuming that funding is adjusted for inflation after 2004. (Without such inflation adjustments, the authorizations would total about \$648 million over the 2004-2009 period.) CBO estimates that appropriation of the authorized levels would result in outlays of \$527 million over the 2004-2009 period assuming annual adjustments for inflation (and about \$507 million without adjustments for inflation). Enacting H.R. 3077 would not affect direct spending or receipts.

H.R. 3077 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The grants authorized by the bill would benefit state, local, and tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3077, with inflation adjustments for the various components of each title of the bill, is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars						
	2003	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION							
Authorizations in H.R. 3077							
International and Foreign Language Studies							
Estimated Authorization Level	0	80	82	83	85	87	89
Estimated Outlays	0	4	58	74	83	85	86
Centers for International Business							
Estimated Authorization Level	0	11	11	11	12	12	12
Estimated Outlays	0	1	8	10	11	12	12
Education and Training							
Estimated Authorization Level	0	7	7	7	7	8	8
Estimated Outlays	0	*	5	6	7	7	8
Institute for International Public Policy							
Estimated Authorization Level	0	10	10	10	11	11	11
Estimated Outlays	0	1	7	9	10	11	11
Total Authorizations in H.R. 3077							
Estimated Authorization Level	0	108	110	112	115	117	120
Estimated Outlays	0	5	79	100	112	114	117
Less: Amounts Authorized for 2004 Under Current Law							
Authorization Level ^a	n.a.	95	0	0	0	0	0
Estimated Outlays	n.a.	5	65	17	9	0	0
Total Proposed Changes							
Estimated Authorization Level	0	13	110	112	115	117	120
Estimated Outlays	0	1	14	83	103	114	117
Memorandum:							
Total Spending for Title VI of the Higher Education Act Under H.R. 3077							
Budget Authority/Estimated Authorization Level ^a	95	108	110	112	115	117	120
Estimated Outlays ^b	82	92	104	108	112	114	117

Notes: Components may not sum to totals because of rounding.

* = Less than \$500,000.

n.a. = not applicable.

a. The 2003 level is the amount appropriated that year. Under the General Education Provisions Act (GEPA), the affected programs were automatically authorized at the 2003 appropriation.

b. Includes outlays from appropriations provided in 2003 and prior years.

BASIS OF ESTIMATE

H.R. 3077 would reauthorize programs under title VI of the Higher Education Act through 2009. These programs are currently authorized for 2004 under the automatic one-year extension provided by GEPA.

Each of the authorizations is a specific amount for 2004 and such sums as may be necessary through 2009. The bill would authorize total appropriations of \$108 million in 2004, \$13 million more than the amounts appropriated for 2003. CBO estimates that this bill would authorize total funding of \$683 million over the 2004-2009 period, assuming that funding for the "such sums" authorizations specified for years after 2004 is provided at the authorized levels for 2004 adjusted for inflation. The outlays from such appropriations would amount to \$5 million in 2004 and \$527 million over the six-year period. The estimated outlays reflect historical rates of spending for the affected programs.

International and Foreign Language Studies

H.R. 3077 would revise and reauthorize the International and Foreign Language Studies programs. These programs are designed to improve the performance of higher educational institutions in providing training in foreign languages. The activities authorized include teacher training, research on new teaching methods and dissemination of those research findings, postgraduate research and student/faculty exchanges, library support, and other services.

The bill would authorize \$80 million for 2004—\$2 million above the GEPA authorized level—and such sums as may be necessary for years 2005 through 2009. CBO estimates the total authorization for the 2004-2009 period would be about \$506 million, assuming adjustments for inflation, with resulting outlays of \$390 million over those six years. The program was funded at \$78 million in 2003.

Centers for International Business Education

The bill would authorize appropriations for the Centers for International Business Education through 2009. These centers support institutions of higher education by sharing in the costs of programs to provide an interdisciplinary approach to international business. Supporting activities include instruction in critical foreign languages and improved business strategies, as well as research and training.

The bill would reauthorize the program at \$11 million in 2004—\$4 million less than the amount authorized under GEPA—and such sums as may be necessary for each of next five years. For this program, CBO estimates the total authorization for the 2004-2009 period would be \$70 million, assuming adjustments for inflation, with resulting outlays of \$54 million over those six years. The program was funded at \$15 million in 2003.

Education and Training Programs

H.R. 3077 would reauthorize the education and training programs directed toward international education through 2009. These programs had been previously authorized as part of the international and foreign language studies programs.

The bill would authorize the program at \$7 million in 2004 and such sums as may be necessary for the next five years. The total authorization for the 2004-2009 period would amount to \$44 million and, assuming the funds would be appropriated, would result in total outlays of \$34 million. Funding for these activities in 2003 was provided through the appropriations for the international and foreign language studies programs.

Institute for International Public Policy

The bill would extend the authorization of the institute for international public policy through 2009. The institute is intended to increase the pool of minority professionals who can fill foreign policy positions in the federal government.

H.R. 3077 would extend the institute's authorization at \$10 million in 2004—about \$8 million more than the GEPA-authorized level—and such sums as may be necessary through 2009. CBO estimates that the bill would authorize appropriations totaling \$63 million over the 2004-2009 period; the resulting outlays would amount to \$49 million. The institute's funding in 2003 was \$1.6 million.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3077 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit state, local, and tribal governments because public and tribal educational institutions would be eligible to apply for grants authorized in the bill. Any costs incurred by state, local, or tribal governments would result from complying with grant conditions.

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